



HEARD IN THE JUNGLE

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I received an email this morning that I believe is making the rounds for a second time, at least for me. It contained a video clip from the **Red Skelton Show** broadcast many years ago. I realize many of you have never heard of Red Skelton or seen one of his shows. That really doesn't matter in this case. Regardless of your opinion of the current political establishment, I believe it's worth a couple minutes to watch. Here is the link [RedSkeltonPledge.wmv](#)

Over the last couple of months, ever since we started marketing the Gorilla Games opportunity beyond our own personal networks, one of the first questions that invariably arises is "**Why should I pay you \$25,000 for a Trademark License instead of starting out on my own?**" It is a very valid question in my opinion. I will address why it is a good value, you'll have to get the other side somewhere else.

First is our name and logo. Every time I mention the name of our company and stores, the first reaction I get is a smile, or "That's cool" comment. We didn't just stumble onto the name or the logo. It is the result of a lot of creativity and focus group study. I can't tell you how many times people have told me they have seen our stores when I know they haven't. If you do this on your own, will you also get such positive response and immediate familiarity?

Second is our business model. Before we ever offered our program on a large basis, we had to develop a profitable business model that could be easily duplicated and improved. There were already opportunities out there and we investigated the largest one. The problem we found with them is they did not have a successful model and were still selling franchises. To learn the profitable and cost-effective way to operate a video games store is to operate one for a while and discover the best practices and processes. This education comes with the license fee, not in doing your own long-term development.

Operating software is the third point. Let's say you start from scratch with your own retail store of any kind. Do you know what software will handle all your business needs? A generic one may be available, how long and how much will it cost to customize it for your store? Can you maintain your own database for used game values, both trade-in and retail prices? What will it cost to handle gift cards, loyalty programs, email blasts, inventory updates and so on?

Fourth is the training program. Are you capable of putting together a comprehensive training program for your initial hires and the on-going recruitment and training of new hires? The customer experience in a Gorilla Games store should be the best in the world and that does not come without a lot of emphasis on training and proper hiring practices. While we do not dictate these functions, they are a key to any success story.

Fifth is store design. We know how a store should be designed to maximize the time spent in the store by your customers and that maximizes the money they spend there. We know that keeping the cost of fixtures and equipment as low as possible, without sacrificing the bold look and functionality, helps insure the success of a Gorilla Games Store. We know how much space you will need and how to keep unnecessary costs out of the picture.

Sixth is the initial evaluation of the market and the operation. While we have less than two years experience operating video game stores, we have over 30 years of experience in retail and operating small businesses. We know what markets are ideal and how to negotiate commercial leases. We know how to write a business plan and make the proper conservative financial forecasts. We have templates of these items for our stores to use, either for initial start-up or expansion. Again, this is an education you do not have to pay for.

Early on in this newsletter, I promised to keep it to two pages so I will stop with the value proposition on our Initial Trademark License fee here. Think about these points objectively and ask yourself the question, can I do it for less? If you really can, have at it and good luck. We believe we can save the costly mistakes of buying the wrong inventory, taking in trades and selling used product at the wrong price, building your own Point-of Sale software package to handle transactions, payroll, accounting and inventory management as well as Customer Relationship Management and email marketing. Will your name and logo present the positive image that ours does? Can you design a store and build a one-off fixture and equipment package economically. Can you negotiate a lease without paying too much? Be honest with yourself in your answers, It doesn't take too many mistakes to add up to \$25,000, we know!

Please keep an eye out in this newsletter for more store openings. The next Gorilla Games Store opening will be in Deerfield Beach, FL no later than October 1, 2009!

Gaming Industry Stock Watch

Company	Symbol	9/14/2009	8/28/2009	52 Week High	52 Week low	% Change
Dow Index	IND	\$9,598.08	\$9,544.20	\$11,790.17	\$6,469.95	0.56%
Game Producers:						
Majesco Entertainment Co., Inc	COOL	\$1.88	\$1.60	\$2.39	\$0.36	17.50%
Electric Arts Entertainment, Inc.	ERTS	\$18.18	\$18.76	\$45.20	\$14.24	-3.09%
Ubisoft Entertainment SA	UBSFF	\$19.10	\$17.75	\$83.00	\$14.00	7.61%
Konami Deposit Receipt	KNM	\$20.75	\$19.69	\$26.64	\$12.77	5.38%
Activision Blizzard, Inc	ATVI	\$11.83	\$11.69	\$17.65	\$8.14	1.20%
Netease.com, Inc.	NTES	\$43.46	\$42.05	\$46.94	\$15.00	3.35%
THQ, Inc.	THQI	\$6.01	\$5.68	\$13.83	\$2.23	5.81%
Take Two Interactive Software, Inc.	TTWO	\$11.58	\$10.43	\$22.12	\$5.56	11.03%
Retailers:						
0						
GameStop	GME	\$24.70	\$23.47	\$42.08	\$16.91	5.24%
Hollywood Video/Game Crazy		N/A	N/A	N/A	N/A	N/A
Consoles and Components:						
Immersion Corp.	IMMR	\$3.77	\$4.21	\$7.49	\$2.31	-10.45%
Microsoft, Inc	MSFT	\$24.86	\$24.68	\$27.74	\$14.87	0.73%
Nintendo Deposit Receipt	NTDOY	\$34.25	\$33.41	\$67.65	\$31.15	2.51%
Sony	SNE	\$27.27	\$27.30	\$35.14	\$15.64	-0.11%
Accessories:						
Mud Catz Interactive, inc.	MCZ	\$0.44	\$0.37	\$0.68	\$0.15	18.92%
Game Index		\$248.08	\$241.09	\$438.55	\$153.33	2.90%

Note: Some of these companies are heavily involved in products other than game related ones.